

# House File 629 - Introduced

HOUSE FILE 629

BY B. MEYER and OLSON

## A BILL FOR

1 An Act relating to renewable fuel used to power motor vehicles,  
2 including by providing for standards and restricting the  
3 sale of gasoline not blended with ethanol, making penalties  
4 applicable, and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1. NEW SECTION.   **214.2A Disciplinary action.**

2     The department may refuse to issue or renew and may suspend  
3 or revoke a license issued to a retail dealer pursuant to  
4 section 214.2 for a violation of this chapter, or chapter 214A,  
5 including rules adopted by the department pursuant to section  
6 214A.2.

7     Sec. 2. Section 214A.1, Code 2021, is amended by adding the  
8 following new subsections:

9     NEW SUBSECTION.   11A.   *"Dispensing unit"* means the equipment  
10 connected to a motor fuel pump located at a retail motor fuel  
11 site, if the equipment includes a nozzle to control the flow of  
12 motor fuel discharged from the motor fuel storage tank to an  
13 end point including the fuel supply tank of a motor vehicle.

14    NEW SUBSECTION.   26B.   *"Restricted use gasoline"* means  
15 gasoline that meets the standards of section 214A.2 and is  
16 subject to restrictions based on classifications provided in  
17 section 214A.31.

18    NEW SUBSECTION.   30B.   *"Standard gasoline"* means ethanol  
19 blended gasoline that meets the standards of section 214A.2 and  
20 is classified as provided in section 214A.31.

21    Sec. 3. Section 214A.1, subsection 16, Code 2021, is amended  
22 to read as follows:

23    16.   *"Gasoline"* means any liquid product prepared,  
24 advertised, offered for sale, or sold for use as, or  
25 commonly and commercially used as, motor fuel for use in a  
26 spark-ignition, internal combustion engine, ~~and which~~ if it  
27 meets the ~~specifications~~ standards provided in section 214A.2.

28    Sec. 4. Section 214A.1, subsection 30, Code 2021, is amended  
29 by striking the subsection.

30    Sec. 5. NEW SECTION.   **214A.1A Disciplinary action.**

31    The department may refuse to issue or renew and may suspend  
32 or revoke a license issued to a retail dealer pursuant to  
33 section 214.2 for any violation of this chapter, including  
34 rules adopted by the department pursuant to section 214A.2.

35    Sec. 6. Section 214A.2, subsection 3, paragraph b, Code

1 2021, is amended by striking the paragraph and inserting in  
2 lieu thereof the following:

3     **b.** If the motor fuel is advertised for sale or sold as  
4 ethanol or ethanol blended gasoline, the motor fuel must  
5 comply with departmental standards which shall meet all of the  
6 following requirements:

7       (1) (a) Ethanol must be a fuel grade agriculturally  
8 derived ethyl alcohol and must meet the requirements  
9 of 27 C.F.R. pts. 20 and 21 and A.S.T.M. international  
10 specification D4806 for blending with gasoline for use as  
11 automotive spark-ignition engine fuel, or a successor A.S.T.M.  
12 international specification, as established by rules adopted  
13 by the department.

14       (b) Ethanol shall be classified as E-100.

15       (c) Gasoline containing no ethanol or trace amounts of  
16 ethanol shall be classified as E-0.

17       (2) Gasoline blended with ethanol must meet requirements  
18 based in part or in whole on A.S.T.M. international  
19 specification D4814, or a successor A.S.T.M. international  
20 specification, as established by rules adopted by the  
21 department.

22       (3) Except as otherwise provided in this subparagraph,  
23 ethanol blended gasoline shall be classified as E-xx where  
24 "xx" is the volume percent of ethanol in the ethanol blended  
25 gasoline. However, all of the following shall apply:

26       (a) Ethanol blended gasoline with a percentage of at least  
27 nine but not more than ten percent by volume of ethanol shall  
28 be classified as E-10.

29       (b) Ethanol blended gasoline with a percentage of fifteen  
30 percent by volume of ethanol shall be classified as E-15.

31       (c) Ethanol blended gasoline with a percentage of at least  
32 seventy but not more than eighty-five percent by volume of  
33 ethanol shall be classified as E-85. E-85 gasoline must meet  
34 A.S.T.M. international specification D5798, or a successor  
35 A.S.T.M. international specification, as established by rules

1 adopted by the department.

2 (4) In ensuring that ethanol blended gasoline meets the  
3 classification requirements of this section, the department  
4 shall take into account reasonable variations due to testing  
5 and other limitations.

6 (5) Ethanol blended gasoline classified as higher than  
7 E-20, other than E-85, must conform to A.S.T.M. international  
8 specifications adopted by the department.

9 Sec. 7. Section 214A.2, subsection 3, paragraph c, Code  
10 2021, is amended by adding the following new subparagraph:

11 NEW SUBPARAGRAPH. (3) (a) Biobutanol blended gasoline  
12 shall be classified as Bu-xx where "xx" is the volume percent  
13 of biobutanol in the biobutanol blended gasoline.

14 (b) In ensuring that biobutanol blended gasoline meets the  
15 classification requirements of this section, the department  
16 shall take into account reasonable variations due to testing  
17 and other limitations.

18 Sec. 8. Section 214A.2, subsection 4, paragraph b,  
19 subparagraph (1), Code 2021, is amended by adding the following  
20 new subparagraph divisions:

21 NEW SUBPARAGRAPH DIVISION. (a) Biodiesel shall be  
22 classified as B-100.

23 NEW SUBPARAGRAPH DIVISION. (b) Diesel fuel containing no  
24 biodiesel or trace amounts of biodiesel shall be classified as  
25 B-0.

26 Sec. 9. Section 214A.2, subsection 4, paragraph b, Code  
27 2021, is amended by adding the following new subparagraph:

28 NEW SUBPARAGRAPH. (04) (a) Biodiesel blended fuel shall be  
29 classified B-xx where "xx" is the volume percent of biodiesel  
30 in the biodiesel blended fuel.

31 (b) In ensuring that biodiesel blended fuel meets the  
32 classification requirements of this section, the department  
33 shall take into account reasonable variations due to testing  
34 and other limitations.

35 Sec. 10. Section 214A.2, subsection 5, Code 2021, is amended

1 by striking the subsection.

2 Sec. 11. Section 214A.3, subsection 2, Code 2021, is amended  
3 to read as follows:

4 2. For a renewable fuel, all of the following apply:

5 a. A person shall not knowingly falsely advertise that a  
6 motor fuel for sale is a renewable fuel or is not a renewable  
7 fuel.

8 b. (1) ~~Ethanol-blended~~ A person shall not knowingly  
9 falsely advertise that gasoline sold by a dealer shall be  
10 designated according to its classification as provided in  
11 section 214A.2 for sale is or is not restricted use gasoline.  
12 ~~However, a person advertising E-9 or E-10 gasoline may only~~  
13 ~~designate it as ethanol blended gasoline. A person advertising~~  
14 ~~ethanol blended gasoline formulated with a percentage of~~  
15 ~~between seventy and eighty-five percent by volume of ethanol~~  
16 ~~shall designate it as E-85. A person shall not knowingly~~  
17 ~~falsely advertise ethanol blended gasoline~~ for sale ~~by using~~  
18 ~~an inaccurate designation in violation of this subparagraph~~  
19 classification as provided in section 214A.2.

20 (2) A person shall not knowingly falsely advertise  
21 biobutanol blended gasoline for sale by using an inaccurate  
22 designation classification as provided in section 214A.2.

23 (3) A person shall not knowingly falsely advertise  
24 biodiesel fuel for sale by using an inaccurate ~~designation~~  
25 classification as provided in section 214A.2.

26 Sec. 12. Section 214A.16, subsection 1, Code 2021, is  
27 amended to read as follows:

28 1. a. ~~If ethanol-blended~~ a retail dealer advertises for  
29 sale or sells restricted use gasoline is sold from a motor fuel  
30 pump dispensing unit, the motor fuel pump dispensing unit shall  
31 have affixed a decal identifying the ~~ethanol-blended~~ gasoline  
32 is restricted use gasoline.

33 b. ~~If the motor fuel pump dispenses~~ a retail dealer  
34 advertises for sale or sells ethanol blended gasoline  
35 ~~classified as E-11 to E-15 for use in gasoline-powered vehicles~~

1 ~~not required to be flexible fuel vehicles~~ from a dispensing  
 2 unit, the ~~motor fuel pump~~ dispensing unit shall have affixed  
 3 a decal as prescribed by the United States environmental  
 4 protection agency, including as provided in 40 C.F.R. pt. 80.

5 c. If the motor fuel pump dispenses a retail dealer  
 6 advertises for sale or sells ethanol blended gasoline  
 7 classified as higher than standard ethanol blended gasoline  
 8 pursuant to ~~section 214A.2~~ E-85 from a dispensing unit, the  
 9 dispensing unit shall have affixed a decal shall contain  
 10 language that identifies the ethanol blended gasoline is for  
 11 use in flexible fuel vehicles as prescribed by the United  
 12 States environmental protection agency.

13 d. If a retail dealer advertises for sale or sells  
 14 biobutanol blended gasoline is sold from a motor fuel pump  
 15 dispensing unit, the ~~motor fuel pump~~ dispensing unit shall have  
 16 affixed a decal identifying the biobutanol blended gasoline.

17 e. If a retail dealer advertises for sale or sells biodiesel  
 18 blended fuel is sold from a motor fuel pump dispensing unit,  
 19 the ~~motor fuel pump~~ dispensing unit shall have affixed a decal  
 20 identifying the biodiesel blended fuel as provided in 16 C.F.R.  
 21 pt. 306.

22 Sec. 13. NEW SECTION. 214A.31 Renewable fuel requirements  
 23 — standard gasoline and restricted use gasoline.

24 1. a. A retail dealer may advertise for sale or sell  
 25 standard gasoline classified as E-10 or higher as provided in  
 26 section 214A.2 from any number of dispensing units located at a  
 27 retail motor fuel site.

28 b. Except as provided in subsection 2, a retail dealer  
 29 shall not advertise for sale or sell restricted use gasoline  
 30 classified as E-0 from more than one dispensing unit located at  
 31 a retail motor fuel site.

32 2. A retail dealer may advertise for sale or sell restricted  
 33 use gasoline from one or more dispensing units located at  
 34 a restricted retail motor fuel site. For purposes of this  
 35 section, a restricted retail motor fuel site is limited to any

1 of the following:

2     a. An airport as defined in section 328.1.

3        *b.* A facility primarily used to support motor vehicles that  
4 are not registered for highway use, including but not limited  
5 to a location dedicated to motor vehicle racing.

6     *c.* A marina that provides a secured mooring or dry dock  
7 storage for watercraft as defined in section 462A.2.

8     *d.* A location that is primarily used to store or sell any  
9 of the following:

10 (1) Motor vehicles manufactured before 1985.

11       (2) All-terrain vehicles or motorcycles, as those terms are  
12 defined in section 321.1, or snowmobiles as defined in section  
13 321G.1.

14       Sec. 14. NEW SECTION.   214A.32   Renewable fuel — restricted  
15 use gasoline waiver.

16 1. The secretary of agriculture may issue or renew an  
17 administrative order temporarily waiving a requirement that a  
18 retail dealer comply with section 214A.31.

19       2. The order shall allow the retail dealer to advertise  
20 for sale and sell restricted use gasoline from any number of  
21 dispensing units at the retail dealer's retail motor fuel site.

22 3. The order must be supported by credible evidence that the  
23 retail dealer has not been able to reasonably obtain standard  
24 gasoline to offer for sale or sell at the retail dealer's  
25 retail motor fuel site.

26 4. An order shall not apply to more than one retail motor  
27 fuel site.

28       5. The department shall publish a copy of the order on the  
29 department's internet site within ten days after its issuance.

30 6. The order shall expire six months from the date of its  
31 issuance, unless a shorter period is stated in the order.

32       Sec. 15.   EFFECTIVE DATE.   This Act takes effect January 1,  
33 2022.

34 EXPLANATION

35           The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 STANDARDS. This bill provides for the regulation of  
3 motor fuel, which provisions are administered and enforced  
4 by the department of agriculture and land stewardship (DALs)  
5 (Code chapter 214A). This includes two types of motor fuel,  
6 including gasoline, and specifically ethanol blended gasoline  
7 beginning with an ethanol percentage of between 9 and 10  
8 percent by volume (E-10). It also includes diesel fuel, and  
9 specifically biodiesel blended fuel beginning with a minimum  
10 biodiesel percentage of 1 percent (B-1). The bill amends  
11 standards governing motor fuel and classifications of motor  
12 fuel including nonblended gasoline (e.g., E-0) and blended  
13 formulations (e.g., E-10).

14 RESTRICTED USE GASOLINE PROHIBITED. The bill designates  
15 nonblended gasoline classified as E-0 as restricted use  
16 gasoline (amended Code section 214A.1 and new Code section  
17 214A.31), and prohibits its sale in this state. The bill  
18 expressly allows the sale of standard gasoline which is ethanol  
19 blended gasoline classified as E-10 or higher. The bill does  
20 recognize two types of exceptions. A single dispensing unit  
21 may be reserved at a site to dispense restricted use gasoline.  
22 A restricted site may be used to dispense restricted use  
23 gasoline from any number of dispensing units. Such restricted  
24 sites include an airport, a facility servicing motor vehicles  
25 engaged in racing, a marina, or a location used to store  
26 or sell older model motor vehicles, all-terrain vehicles,  
27 motorcycles, or snowmobiles.

28 ADVERTISING AND NOTICE PROVISIONS. The bill requires that  
29 when advertising gasoline for sale, a dealer must designate its  
30 restricted status (amended Code section 214A.3). It eliminates  
31 a provision that requires that a decal be placed on a motor  
32 fuel pump that notifies the traveling public that gasoline is  
33 blended with ethanol. It provides that a decal must identify  
34 gasoline as restricted (amended Code section 214A.16).

35 WAIVER AND SUSPENSION. The bill authorizes the secretary of

1 agriculture to issue an order temporarily waiving a requirement  
2 that a dealer comply with the restricted use requirements if  
3 there is credible evidence that the dealer has not been able to  
4 reasonably obtain standard gasoline (new Code section 214A.32).

5     PENALTY. A person who violates a provision of Code chapter  
6 214A is guilty of a serious misdemeanor (Code section 214A.11).  
7 A serious misdemeanor is punishable by confinement for no more  
8 than one year and a fine of at least \$430 but not more than  
9 \$2,560. Alternatively, the state may initiate an alternative  
10 civil proceeding against the person for at least \$100 but not  
11 more than \$1,000 for each violation.

12     EFFECTIVE DATE. The bill takes effect January 1, 2022.